

ORIGINAL NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF)
TRICO ELECTRIC COOPERATIVE, INC, AN)
ARIZONA CORPORATION, FOR APPROVAL OF)
PREPAID SERVICE PILOT PROGRAM)

DOCKET NO. E-01461A-14-0260

APPLICATION

Trico Electric Cooperative, Inc. ("Trico") hereby submits its application for a pilot program to provide prepaid electric service. This pilot program will provide Trico's members with a new way to control their electricity costs. The pilot program will allow Trico to assess – and potentially modify – the provision of prepaid electric service. The proposed experimental tariff for prepaid service is attached as Exhibit 1.

In support of this Application, Trico states:

1. Trico is a public service corporation providing electric distribution service in parts of Pima, Pinal and Santa Cruz Counties pursuant to Certificates of Convenience and Necessity issued by the Commission. Its principal place of business is located at 8600 W. Tangerine Road, Marana, Arizona, 85658.

2. Trico has developed extensive automated meter infrastructure that allows Trico allows Trico to offer a Prepaid Tariff that remains both economical and feasible.

3. A Prepaid Tariff option may appeal to Trico's membership that desires more control over their energy payments as well as those members who do not want to provide a security deposit required under existing rates. In light of this potential appeal, Trico has researched other prepaid metering programs to determine the components that best fit into its infrastructure and billing system.

1 4. The Prepaid Tariff rate design follows the standard residential rate by taking the
2 monthly fixed charges and breaking them down in to daily rates. In order to keep the Prepaid
3 Tariff costs to a minimum, the rate design closely approximates the residential rate (RS1). The
4 Prepaid Tariff also includes the Demand Side Management (DSM) and Wholesale Power Cost
5 Adjustor (WPCA) Billing Adjustments currently approved for all Trico rates and an
6 approximation for the Renewable Energy Standard (RES) surcharge. Appropriate taxes and
7 surcharges as required of all Trico rates apply.

8 5. Due to the limits of Trico's billing software and metering hardware, only customers
9 served under Trico's single phase Rate Schedule RS1 will be eligible for this experimental rate.
10 For liability purposes, Trico has determined that customers requiring electricity for life supporting
11 medical equipment cannot participate in a prepaid program.

12 6. The Prepaid Tariff will begin with a small manageable pilot program test group which
13 will increase as Trico gains experience. Based on available hardware, program evaluation, and
14 customer responses, Trico will limit participation to a level it deems appropriate. All promotional
15 activities will stress the Prepaid Tariff as a voluntary rate that may not work for all eligible
16 Members of Trico.

17 7. Trico proposes that the Prepaid Tariff remain as an experimental tariff until its next rate
18 case or until two years after the first Member begins service under the Prepaid Tariff. Any
19 permanent prepaid rate may differ slightly from the experimental rate based on the experiences
20 obtained from the pilot program and advances in technology that may give Trico more options that
21 benefit its Members in the future.

22 Wherefore, Trico requests that the Commission approve the Experimental Prepaid Tariff
23 for the proposed pilot program.
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1 RESPECTFULLY SUBMITTED this 9th day of July, 2014.

2 TRICO ELECTRIC COOPERATIVE, INC.

3 By 

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5 ROSHKA DEWULF & PATTEN, PLC
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Attorneys for Trico Electric Cooperative, Inc.

9 Original and 13 copies of the foregoing
10 filed this 9th day of July, 2014 with:

11 Docket Control
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 By 

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Exhibit-1

Tax Adjustment

To the charge computed in this rate schedule, including all adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

Wholesale Power Cost Adjustment

The Cooperative shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.081638 per kWh sold, flow through such increases or decreases to all classes of customers.

In addition to the foregoing, all kWh sold to each customer under this rate schedule shall be subject to an additional temporary wholesale power cost adjustment, if any, that may be charged the Cooperative by its supplier of electricity which consists of an additional surcharge, a temporary credit and/or a fuel bank surcharge.

Renewable Energy Standard (RES) Surcharge

The Cooperative shall add to its bill a RES Surcharge in accordance with the approved RES tariff to help offset the costs associated with the Cooperative's programs designed to promote alternative generation requirements that satisfy the RES as approved by the Arizona Corporation Commission. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

STANDARD RATE RESIDENTIAL RES CALCULATION	Monthly Rate	Months	Days	Daily Rate
(\$/Customer/Day)	\$0.70	x12	+365	\$0.023014

Demand Side Management Programs; DSM Adjustment Mechanism

The Cooperative shall recover its cost for pre-approved DSM programs through a separate DSM adjustment mechanism which shall provide for a separate and specific accounting for pre-approved DSM costs.

Rules and Regulations

The Rules and Regulations and Line Extension Policies of the Cooperative ("Rules") as on file with the Commission shall apply to this rate schedule.

The following Service Conditions of the Cooperative (based on A.A.C. R14-2 -201 to 213)), on file with the Commission, shall NOT apply to the following: Rules 125 through 131; Rules 301 through 303; Rules 307, 318; Rules 320 through 322; Rule 324; Rules 342 through 351; and Rule 358.

Experimental Service Conditions Applicable to Prepaid Metering Service Only**A. Availability:**

The Prepaid Electric Service is available only to new or existing residential customers with the following exceptions:

1. Residential critical load customers are excluded from the prepaid electric service program.
2. Customers identified under ACC R14-2-211A.5 and those customers under appropriate circumstances but beyond the scope of ACC R14-211.A.5 are not eligible for this rate.
3. Invoice groups which include loans or special billing.
4. Customer must have a valid email account and phone capable of receiving the messages and low balance alerts.

B. Enrollment:

The Customer must make a request and complete a Prepaid Electric Service Application.

1. In addition to the information provided in Rule 101, the prepaid applicant is encouraged to provide the following:

- a. Secondary email address
 - b. Cell phone number with text capability and/or second phone number
 - c. Other approved method of communication other than US Postal Mail.
 2. The Cooperative will allow enrollment into prepaid service if the customer meets the eligibility requirements, including:
 - a. The Customer must pay all applicable fees prior to commencement of service.
 - b. A \$50.00 credit balance has been established to activate the account.
- C. Billing, Payments and Information:
- Paper statements will not be provided under the prepaid program. Billing information, as well as payment and account information can be obtained at:
1. Trico business offices during normal business hours.
 2. Integrated Voice Recognition (IVR) at 502-744-2944 or 1-866-999-8441.
 3. Online at www.trico.coop 24 hours a day.
- D. Estimating Prepaid Balances and Customer Notices:
1. Trico can provide an estimate based upon the most current use history of the customer, of the suggested amount to be initially deposited with Trico and the estimated days that such prepayment should provide paid electric service for the customer.
 2. As energy is consumed, the credit balance is reduced until either the balance is exhausted or additional payments are added to the balance. Balances can be checked online at www.trico.coop any time. Upon request, Customers can be notified of their estimated balance by email, and/or other electronic means if customer provides the necessary contact information.
 - a. The notice will be generated daily when the Customer's credit balance is less than their current daily average usage times four (4). The daily average usage will be calculated using up to the previous thirty (30) days of consumption history.
 - b. These estimates are based on the historic information available but can be affected by changes in the customer's usage or needs. The customer is responsible for ensuring that a credit balance is maintained on the account.
- E. Transfers and optional Debt Recovery for Outstanding Balances
1. Accounts that are on existing post-paid electric service may be converted to prepaid electric service.
 2. When existing customers that convert from post-paid residential service the existing deposit, if any, is applied toward any outstanding balance of the post-paid account with the remaining credit applied to prepaid service.
 3. All post-paid fees and unbilled energy charges must be paid in full except for the provisions below:
 - a. There is a debt recovery feature available within limits to recover amounts due from a prior post-paid account, when applying for prepaid service. A percentage (20% to 50%) of each prepaid electric service payment can be applied to an outstanding debt up to \$400.00
 - b. Outstanding amounts over \$400.00 must be paid down to the \$400.00 level prior to being eligible for the prepaid electric service program.
 - c. The Customer agrees to make prepaid payments of sufficient amounts to pay down the outstanding amounts in no more than four (4) months.
 - d. If the Customer fails to pay the outstanding balance within the four (4) months allowed, Trico has the right to disconnect the prepaid service until the outstanding balance is paid in full.
 4. Trico will transfer the existing membership fee on the post-paid to the new account where the customer will not be required to make an additional payment.
 5. The customer may elect to convert from prepaid electric service back to post-paid service. At which time, the Cooperative may require full payment of the deposit to continue service. Customers who cancel their prepaid accounts may not re-apply for a new Prepaid account at the same location for a six (6) month period.
- F. Terminating and Restoring Prepaid Electric Service:
- Prepaid meters are equipped to allow remote disconnection / reconnection of service.
1. Service terminated at the request of the customer will receive a refund of any remaining credit on the account after all final bill amounts have been calculated.

2. Electric service may be subject to immediate disconnection any time the account does not have a credit balance.
3. Following a disconnect because the account does not have a credit balance, the customer must pay any unpaid balance from the result of energy consumption from the time the account has reached a zero (\$0.00) balance and when the Cooperative issued the disconnection command, plus purchase a minimum of \$20.00 prepaid electric service, if applicable, before service is reconnected.
4. If an account is disconnected because the account does not have a credit balance and does not become current after ten (10) days, the account will be considered closed and the Cooperative will mail a final bill to the last known address of the customer on file for all unpaid charges.
5. Service will not be disconnected where weather will be especially dangerous to health as defined in the Cooperative's Rules or as determined by the Commission.